

# Industrial Commission

Analyst: Milstead

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2002 Total App</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Approp</b>	<b>FY 2004 Request</b>	<b>FY 2004 Gov Rec</b>
<b>BY PROGRAM</b>					
Compensation	4,620,300	4,033,100	4,648,300	4,717,000	4,546,000
Rehabilitation	3,354,300	3,036,900	3,390,700	3,424,000	3,391,100
Crime Victims Compensation	3,225,700	2,362,900	3,236,100	3,400,800	3,393,900
Adjudication	1,872,700	1,584,800	1,841,000	1,869,100	1,849,500
<b>Total:</b>	<b>13,073,000</b>	<b>11,017,700</b>	<b>13,116,100</b>	<b>13,410,900</b>	<b>13,180,500</b>
<b>BY FUND CATEGORY</b>					
Dedicated	12,543,300	10,508,800	12,586,400	12,881,200	12,650,800
Federal	529,700	508,900	529,700	529,700	529,700
<b>Total:</b>	<b>13,073,000</b>	<b>11,017,700</b>	<b>13,116,100</b>	<b>13,410,900</b>	<b>13,180,500</b>
Percent Change:		(15.7%)	19.0%	2.2%	0.5%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	6,566,200	6,186,500	6,569,900	6,773,600	6,736,000
Operating Expenditures	2,293,600	1,424,600	2,336,000	2,445,600	2,252,800
Capital Outlay	283,500	232,500	203,900	97,200	97,200
Trustee/Benefit	3,929,700	3,174,100	4,006,300	4,094,500	4,094,500
<b>Total:</b>	<b>13,073,000</b>	<b>11,017,700</b>	<b>13,116,100</b>	<b>13,410,900</b>	<b>13,180,500</b>
Full-Time Positions (FTP)	138.50	136.50	136.50	137.50	137.50

## Department Description

The Industrial Commission was established in 1918 to ensure that Idaho's Workers' Compensation Law is impartially and efficiently administered. It encourages safe working environments, prompt and accurate benefit payments, timely dispute resolution, and quality vocational rehabilitation services. The Commission maintains files of all industrial accidents and illnesses and keeps records of employers and their workers compensation insurance companies.

The COMPENSATION PROGRAM includes benefits administration, employer compliance, fiscal, information systems, and the human resources section. Responsibilities of the Compensation Program include evaluating insurance carriers and employers wishing to become self-insured; enforcing the coverage requirements; and monitoring benefit payments.

The REHABILITATION PROGRAM is a neutral party that supports a worker's medical recovery and assists in reducing their period of temporary disability resulting from an industrial injury. This program facilitates returning the worker to gainful employment at as close as possible to their pre-injury status and wage. The Rehabilitation Program is concerned with both physical and vocational rehabilitation with special emphasis on job placement. Consultants serve injured workers from ten field offices across the state.

The CRIME VICTIMS COMPENSATION PROGRAM was established in 1986 to help offset the out-of pocket expenses incurred by innocent victims of crime. Benefits are paid only for costs such as medical and mental health care, lost wages, loss of support, and funeral expenses up to a maximum of \$25,000 per victim per crime. Property damages are not eligible. Funds are generated by surcharges on convictions or pleadings of guilt. Certain restitution and prison payment programs are also directed to the fund.

The ADJUDICATION PROGRAM consists of three commissioners appointed by the Governor who sit as a judicial body to hear and adjudicate disputes arising between injured workers and employers, and to provide judicial review of decisions from the Department of Labor. The Commission also provides a mediation process which is available at any stage of the claim to assist the parties in reaching a successful resolution of a dispute.

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2003 Original Appropriation</b>	<b>136.50</b>	<b>0</b>	<b>13,116,100</b>	<b>136.50</b>	<b>0</b>	<b>13,116,100</b>
Removal of One-Time Expenditures	0.00	0	(203,900)	0.00	0	(203,900)
Base Reduction	0.00	0	0	0.00	0	(134,900)
<b>FY 2004 Base</b>	<b>136.50</b>	<b>0</b>	<b>12,912,200</b>	<b>136.50</b>	<b>0</b>	<b>12,777,300</b>
Employee Benefit Costs	0.00	0	101,400	0.00	0	118,400
General Inflation	0.00	0	133,300	0.00	0	88,200
Replacement Items	0.00	0	82,500	0.00	0	82,500
Nonstandard Adjustments	0.00	0	50,800	0.00	0	38,000
Change in Employee Compensation	0.00	0	54,600	0.00	0	0
<b>FY 2004 Program Maintenance</b>	<b>136.50</b>	<b>0</b>	<b>13,334,800</b>	<b>136.50</b>	<b>0</b>	<b>13,104,400</b>
1. Microfilm Reader/Printer	0.00	0	10,000	0.00	0	10,000
2. Forensic Exam Case Mgr	1.00	0	66,100	1.00	0	66,100
<b>FY 2004 Total</b>	<b>137.50</b>	<b>0</b>	<b>13,410,900</b>	<b>137.50</b>	<b>0</b>	<b>13,180,500</b>
Change from Original Appropriation	1.00	0	294,800	1.00	0	64,400
% Change from Original Appropriation			2.2%			0.5%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2003 Original Appropriation</b>	136.50	0	12,586,400	529,700	13,116,100
<b>Removal of One-Time Expenditures</b>					
Reflects the removal of one-time expenditures including miscellaneous computer equipment and upgrades, digital cameras, and three vehicles.					
Agency Request	0.00	0	(203,900)	0	(203,900)
Governor's Recommendation	0.00	0	(203,900)	0	(203,900)
<b>Base Reduction</b>					
Agency Request	0.00	0	0	0	0
The Governor's recommendation includes a reduction in spending authority for the Division of Building Safety's Industrial Safety and Logging Programs funded by the Industrial Commission. This reduction is the result of increased efficiencies and other cost saving measures.					
Governor's Recommendation	0.00	0	(134,900)	0	(134,900)
<b>FY 2004 Base</b>					
Agency Request	136.50	0	12,382,500	529,700	12,912,200
Governor's Recommendation	136.50	0	12,247,600	529,700	12,777,300
<b>Employee Benefit Costs</b>					
Includes the employer portion of estimated changes in employee benefit costs. Most of this increase is due to a projected 14.7% increase (\$711 per employee) in health insurance costs.					
Agency Request	0.00	0	101,400	0	101,400
The Governor also recommends additional funding to be applied to the employee paid portion of health and dental insurance cost increases, in order to prevent employees from experiencing a reduction in take-home pay.					
Governor's Recommendation	0.00	0	118,400	0	118,400
<b>General Inflation</b>					
Includes a general inflationary increase of 2.4% in operating expenditures and a medical inflationary increase in trustee/benefit payments in the Crime Victims' Compensation program.					
Agency Request	0.00	0	133,300	0	133,300
The Governor recommends no increase for general inflation, and a 3% increase for medical inflation.					
Governor's Recommendation	0.00	0	88,200	0	88,200
<b>Replacement Items</b>					
Reflects for the following replacement items, by program:					
Compensation: Replace two switches for \$1,300 each; 6 PCs at \$1,400 each, 1 laptop at \$3,000, and 3 computer monitors at \$350 each.					
Rehabilitation: Replace three vehicles at \$14,000 each; 2 servers at \$8,800 each; and 4 monitors at \$350 each.					
Crime Victims Compensation: 1 computer monitor at \$350.					
Adjudication: Replace two PC's at \$1,400 each; 1 printer for \$2,500; and 2 monitors at \$350 each.					
Agency Request	0.00	0	82,500	0	82,500
Governor's Recommendation	0.00	0	82,500	0	82,500

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Nonstandard Adjustments</b>					
<b>Comp., Rehab., Crime Victims Comp., Adjudication</b>					
Reflects adjustments in Attorney General, State Controller, Treasurer fees and Risk Management costs. Also, includes \$12,800 in Building Services space charges.					
Agency Request	0.00	0	50,800	0	50,800
<i>The Governor recommends no adjustment to building space charges for state agencies.</i>					
Governor's Recommendation	0.00	0	38,000	0	38,000
<b>Change in Employee Compensation</b>					
<b>Comp., Rehab., Crime Victims Comp., Adjudication</b>					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	0	54,600	0	54,600
<i>The Governor does not recommend new funding for state employee pay increases. Compensation increases may be funded with agency salary savings wherever possible.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2004 Program Maintenance</b>					
Agency Request	136.50	0	12,805,100	529,700	13,334,800
Governor's Recommendation	136.50	0	12,574,700	529,700	13,104,400
<b>1. Microfilm Reader/Printer</b>					
<b>Compensation</b>					
This enhancement would provide the Compensation Division with \$10,000 in dedicated funds to purchase a viewer/printer. The Division has experienced increased demand for viewing and printing microfilm. Currently, the Division has only one viewer/printer which often requires a wait before it can be used, which slows the Division's ability to respond to public information requests. Also, the viewer/printer is old and frequently down for maintenance. A second viewer/printer will allow two users to access microfilm records at the same time. These machines serve the Industrial Commission, workers' compensation insurance companies, attorney offices, personnel agencies and individual requests for information. The main source of this dedicated fund is the Premium Tax on workers compensation insurance policies.					
Agency Request	0.00	0	10,000	0	10,000
Governor's Recommendation	0.00	0	10,000	0	10,000
<b>2. Forensic Exam Case Mgr</b>					
<b>Crime Victims Compensation</b>					
This enhancement would provide the Bureau with 1.0 FTP (Sexual Assault Case Manager) and \$66,100 to implement provisions of Idaho Code 72-1019(2). This section requires the Crime Victims program to pay for all sexual assault forensic examinations. The program is having difficulty managing the number of claims filed for reimbursement of sexual assault forensic examinations as required under Idaho Code. The program is required to provide payment for all sexual assault forensic examination conducted within the state. This additional responsibility has resulted in an increase in the number of claims filed for benefits of approximately 33%. These additional responsibilities have also resulted in an increase in expenditures of over \$100,000 annually. It is anticipated that the number of claims filed will continue to increase over the next fiscal years as more jurisdictions statewide become familiar with the statutory changes. Current growth estimates anticipate a 25% increase for FY 2003 and a 12% increase the following year. No additional staff or resources have been allocated to assist with these additional duties. Current staffing levels are not sufficient to meet established performance goals for this service and have begun to negatively impact the program's ability to meet performance goals in other areas of responsibility. The FTP would allow the program to process claims for reimbursement, to meet established performance goals and to offer essential case management services to victims of sexual assault.					
Agency Request	1.00	0	66,100	0	66,100
Governor's Recommendation	1.00	0	66,100	0	66,100
<b>FY 2004 Total</b>					
Agency Request	137.50	0	12,881,200	529,700	13,410,900
Governor's Recommendation	137.50	0	12,650,800	529,700	13,180,500

# Industrial Commission

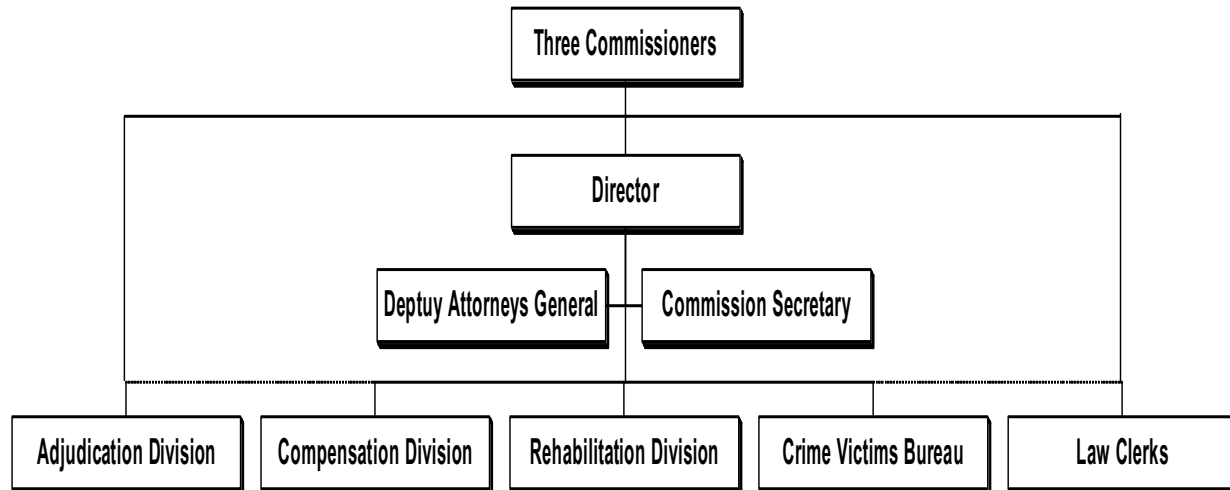
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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	1.00	0	294,800	0	294,800
% Change from Original App	0.7%		2.3%	0.0%	2.2%
Governor's Recommendation					
Change from Original App	1.00	0	64,400	0	64,400
% Change from Original App	0.7%		0.5%	0.0%	0.5%

# Industrial Commission Issues & Information

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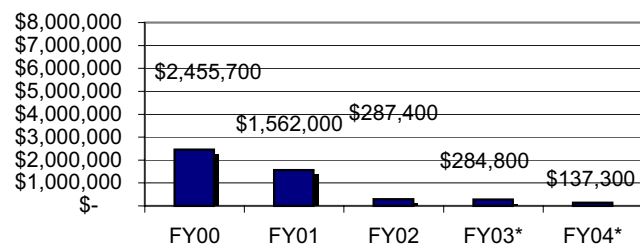
Industrial Commission  
136.5 FTP



## INDUSTRIAL ADMINISTRATION FUND FY 2002 ACTUAL REVENUE

Source	Amount	%
Workers Comp Premium Tax	\$6,801,800	88.1%
Interest Earnings	\$312,700	4.1%
Penalties	\$326,900	4.2%
Technical Services	\$249,400	3.2%
All Other	\$28,200	0.4%
<b>TOTAL</b>	<b>\$7,719,000</b>	

## Industrial Administrative Fund Balance

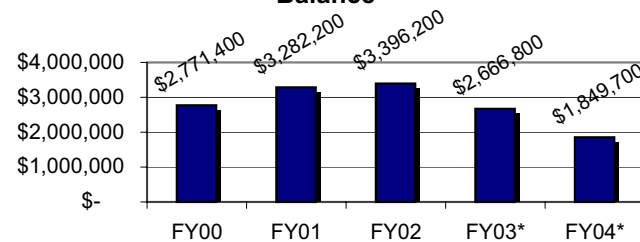


## CRIME VICTIMS COMPENSATION FUND FY 2002 ACTUAL REVENUE

Source	Amount	%
Fines*	\$1,672,000	85.8%
Restitution	\$159,800	8.2%
Subrogation	\$94,200	4.8%
Donations	\$15,000	0.8%
All Other	\$6,700	0.3%
<b>TOTAL</b>	<b>\$1,947,700</b>	

\*Surcharge on convictions: \$25 for misdemeanors, \$50 for felonies, \$200 additional for any sex offense.

## Crime Victims Compensation Fund Balance



\* Figures are based on revenue projections for FY 2003 & FY 2004.